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Resistance Administrative Committee

Democratic Republic of Vietnam

Thu Dau Mot Area

Independence Liberty Welfare

Project and Plan for Establishment of Cooperatives

(Extracts from the report by the sub-group on economic and financial questions of the Assembly of the Administrative and Resistance Regional Committee of Nam-Bo for the year 1950).

I. Project for Establishing Cooperatives

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1. Create a broad and deep-rooted movement for the establishment of cooperatives in a completely rational way, because cooperatives are the foundation for the organization of the People's Economy, based upon Socialistic Economy.
 - a. To counter the false conception about cooperatives.
 - b. Dissolve those organizations not in accord with the established principle.
 - c. To explain and make extensive and concentrated propaganda to all the unified people's military and administrative cadres. To establish the principle: "Every citizen should be as steeped in the idea of cooperatives as he is in knowledge of the constitution."

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2. To train agents and active agents to work on behalf of cooperatives among the population, especially among farmers, administrative personnel, and infantry troops.
3. In accordance with the conditions of security, production, and specialization of each region, create and organize, on a small scale, model production consumer and transport cooperatives.
4. To aid specifically the cooperative movement.
 - a. To participate directly in stimulating the movement, following it closely, and organizing model cooperatives.
 - b. To assist in raising capital and in the allocation of funds.
 - c. To promote consumption and conservation.
 - d. To give instructions on cooperatives in study sessions of administrative and military organs.

II. Plan for Putting Cooperatives Into Operation.

The base of the Government's economy is the People's Economy, and cooperatives are the most suitable form for the organization of production, distribution, and consumption for the Government of the new democracy.

1. The Principles Applied to Cooperatives.

a. Basic principles of organization.

- (1) Small Cooperatives: Although they are different from the large cooperatives in that they do not have statutes or an Administrative Committee, they nevertheless perform a common service for one or more months in matters of transport, purchasing, or mutual aid. They do not seek profit, as the large ones do. They serve to orient the people to the collective life, especially in those regions where the comprehension of the people is still low, and to instill the idea of the movement in regions where the population still retains a prejudice against cooperatives.

- (2) Large Cooperatives: These have complete statutes and an Administrative Committee.

- b. Under battle conditions, in order to avoid enemy destruction; the organization should not be overly extended but should be somewhat restricted, limited to one or two villages in large free zones or in a hamlet, and one or two groups of 5 families each in small free zones.

- c. Under whatever form, they must conform to the following fundamental principles:

- (1) Political. They shall be based on the principles of liberty, equality and true democracy.

They shall be organized and directed by the people and placed under the control of the Government.

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(2) Economic.

Abolish the middlemen; avoid exploitation.

Increase production.

Improve technique.

(3) Financial. Distribute the profits to the members of the cooperative on the basis of their capital investments. Distribute in proportion to the work done or the consumption of each member. Set aside the greater part for distribution according to work; the smaller part for capital.(4) Social. Improve the living conditions of the members, and mutually aid one another and do not seek individual enrichment.

2. Principles Applied to Statutes:

The regulations should always be adopted for each area and in accordance with the comprehension level of the population.

a. Shares

(1) The shares should be cheap so that everyone may participate in the cooperative. (Example: a share equivalent to one day's pay) and paid for in several deposits either in money, material, merchandise, or labor.

(2) The number of shares of a cooperative will be determined by need.

b. Provisions for participation: Free participation for all.

c. Withdrawal

(1) Free withdrawal, but prior notice must be given to the Administrative Committee and this organ's approval must be received.

(2) The share and profits shall be withdrawn afterwards.

(3) The legitimate heirs of deceased owner members may receive the profits left by their relatives.

d. Expulsion: Convicted members who have lost their rights of citizenship or have been the cause of loss to the cooperative or to the Resistance, shall be expelled. Their shares and profits shall be refunded afterwards.

e. The Administrative Committee

(1) The Administrative Committee is elected by the General Council of the Cooperative.

(2) The functions and powers of the Administrative Committee are to manage the activities of the cooperative in accordance with its aims and regulations.

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f. The Control Committee

- (1) The Control Committee is elected by the General Council of the Cooperative. Members of the Administrative Committee and persons permanently working for that Committee shall not be selected for the Control Committee. Whenever it is impossible for the General Council to be convoked, the Control Committee is elected by representatives of the members.
- (2) The Control Committee has the power to inspect the books of the cooperative and to control the cooperative's activities.
- (3) It also has the power to call upon the Administrative Committee to hold meetings.
- (4) When necessary and warrantable it can convoke an extraordinary meeting of the General Council of the Cooperative.

g. The General Council

At the end of six months or a year, as the particular situation may demand, the General Council shall convene to settle the problems of the cooperative. With regard to elections, each member can have only one vote.

h. Statute

The regulations must be approved by the Provincial Resistance Administrative Committee.

3. Principles for Dividing the Profits.

The periods for dividing the profits shall be determined in accordance with the activity of the cooperative and the proportionate amounts shall be based on the following principles:

Mutual aid and no personal enrichment.

Do not concentrate on seeking profits for members (Consumers' Cooperatives) but on ending their conditions of poverty and improving their level of livelihood.

The Administrative Committee members receive no salary. If they put aside personal affairs to attend to activities of the cooperative, they will receive their share of provisions in accordance with the appropriate allocation for each region (as part of the provisions of an official).

According to category and region, cooperatives in the provinces must follow the following provisional table for distribution: From one to ten percent for the Administrative Committee and its agents in accordance with the amount of profit and the efforts of the Committee.

Ten percent for the social welfare budget of the cooperative (to purchase medicines for distribution to members and their families).

Ten percent for the reserve fund.

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The remainder is divided into 2 parts: Half for the shares (in money or labor), half for the personnel (in accordance with days worked for production cooperatives or the various relationships for consumer cooperatives).

Note: Members must be paid for days worked except for work days converted into shares.

In order to reconcile the statement of the Central Government in its secret telegram, "Those who invest only money as shares and not labor, are not considered as members of the cooperative," with the criticism made by the Resistance Administrative Committee of Nam-Bo: "The division of profits for capital is too small," we must apply the proportions stated above. The committees of the provinces must remember that "The value of labor must always be given more consideration than that of capital" in order to diminish the part of the profits for shares paid in money.

Initially the reserve fund can receive ten percent, but it should be progressively increased so that the working capital can increase proportionally.

4. Principle of Organization.

After having made the requisite preparations for organizing a cooperative, it is necessary to:

- a. Convoke the General Council. If such a convocation is difficult, then representatives of the members must meet to review the regulations and elect Administrative and Control Committees.
- b. Prepare the report of the meeting.
- c. Dispatch the report and the regulations to the Provincial Administrative Committee. Operations will not begin until the regulations have been approved.

Four principles must be kept in sight:

- (1) Use simple forms and on a small scale.
- (2) Conform to the needs and capability of the region and the mental level of the population.
- (3) Pay more attention to quality than to quantity.
- (4) Give due attention to the importance of production cooperatives for provisions and clothing.

d. Direction and Organization of Cooperatives.

In the organization of cooperatives, it is necessary to select active agents who understand the psychology and mental level of the population and know thoroughly the needs and productive capacity of the region. They can also mobilize the capital, laborers, and materials in a rational way. These active agents must have political prestige and the assistance of the unified committee (People, Army and Administration) in their activities in order to be able to establish the movement.

The active agents for administration of financial records are the members of the Administrative Committee themselves. The agents selected must be honest, capable, and able to prevent misuse of the cooperative's budget.

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Direction is in the hands of provincial active agents. This does not mean that the provincial active agents cannot and must not organize. The activities of the active agents of the cooperative must guide it strictly in the direction and toward the goals which have been planned.

Since the Bureau of Cooperatives has not yet been established, the Provincial Economic Service will select persons qualified for the work and propose them to the provincial Administrative Committee for appointment. Those appointed will be in charge of the activities and responsible for relations with superior cadres.

The provincial Economic Service can designate agents to assist in the proper functioning of the Cooperatives. In such cases these agents are no longer part of the Government but are placed within the cooperatives as ordinary members.

e. Plan for Effecting Operations.

(1) Starting the Cooperative Movement.

- (a) The Government and Popular Groups: Representatives of the Government and popular groups will be convoked to outline the programs of activities and organization of cooperatives. An agent shall be designated as promoter on behalf of the cooperatives.
- (b) The People: Organize a "Cooperatives Day". Use all forms of propaganda (newspapers) and information, tracts, streamers, and the village resistance megaphones. Assemble members of youth, women's, and farmer's groups.
- (c) Explain clearly the usefulness and goal of cooperatives.
- (d) Publicize the results obtained in the provincial cooperatives and the success of family cooperatives.
- (e) Especially emphasize the necessity for active agents before the organization is put into effect.

(2) Setting up of Cooperatives.

- (a) Promote first production cooperatives for food, clothing, and local handicrafts.
- (b) Organize consumers' cooperatives in regions of high consumption.
- (c) In the regions where provisioning of rice and salt is necessary, set up transport cooperatives within the confines of one or two villages. Provincial active agents will assume responsibility for organization and control.

All cooperatives must act in accordance with the direction desired by the Government. In difficult cases, organization can be begun in the form of Government or people's associations.

f. Government Aid to Cooperatives.

Training active agents.

Loan of capital (by issuing production credit).

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(1) Training of Active Agents:

The regional Agriculture and Economic Services shall act together to train active agents for cooperatives. The provincial branches of the above services must furnish agents to attend training courses. The largest number of agents, however, must be sent by popular groups, especially agricultural, labor, youth, and women's groups.

There are three categories of agents for cooperatives:

- (a) Agents of management and organization.
- (b) Specialists and technicians.
- (c) Administrators and Accountants.

The agents must be loyal and hard working, applying themselves to their assignments until the cooperatives yield results, because although the study of theory and principles is difficult, it is only practice that is of consequence. The agents must be patient in the activities of establishment, guidance, and popularization.

The system of bookkeeping must be simple during the period when the movement is small and must not be the type applied to a larger organization needing a form of strict accountability. Such cooperatives also require specialized agents.

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24 August 1950

Resistance Administrative Committee
of Thu Dau Mot Province
Commissioner Delegate
Tran Khac Can

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